

## Message Text

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ACTION EA-14

INFO OCT-01 ISO-00 CIAE-00 COME-00 EB-11 INR-11 LAB-06

NSAE-00 RSC-01 SIL-01 DODE-00 PM-07 H-03 L-03 NSC-07

PA-04 PRS-01 SP-03 SS-20 USIA-15 OMB-01 DRC-01 /110 W

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R 201126Z AUG 74

FM AMEMBASSY BANGKOK

TO SECSTATE WASHDC 6053

INFO AMEMBASSY MANILA

CINCPAC

C O N F I D E N T I A L BANGKOK 13465

E.O. 11652: GDS

TAGS: ELAB

SUBJ: LABOR: REMOVAL OF UNPOPULAR EXECUTIVES GROWING FEATURE OF  
WORKER DEMANDS

1. TEN-DAY-OLD SIAM INTERCONTINENTAL HOTEL STRIKE ENDED  
AUGUST 15 WITH COMPLETE VICTORY FOR STRIKING WORKERS. WHILE  
PAY AND WORKING CONDITIONS WERE AMONG DEMANDS CONCEDED, KEY ISSUE  
WAS REMOVAL OF TWO EUROPEAN EXECUTIVES AND THAI SUPERVISOR.  
UNDER PRESSURES, AND WITH GREAT RELUCTANCE, HOTEL MANAGEMENT  
FINALLY ACCEDED TO WORKDER DEMAND. IT AGREED TO TRANSFER TWO  
EUROPEAN OFFICIALS OUT OF THAILAND AND PLACED THAI SUPERVISOR ON  
EXTENED LEAVE.

2. DAY FOLLOWING SETTLEMENT OF SIAM INTERCONTINENTAL STRIKE,  
PRESS REPORTED THAT 200 WORKDERS OF FEDDERS ELECTRIC COMPANY  
WALKED OUT AND INCLUDED IN THEIR LIST OF DEMANDS THE REMOVAL  
OF ONE THAI MANAGEMENT OFFICIAL. STAFF OF THAI-OWNED NARAI  
HOTEL, ALSO ACCORDING TO PRESS REPORTS, THREATENED TO STRIKE  
AUGUST 20 AND INCLUDED IN THEIR DEMANDS REMOVAL OF CERTAIN  
EXECUTIVES.

3. COMMENT: SIAM INTERCONTINENTAL STRIKE SETTLEMENT  
ALREADY APPEARS TO REPRESENT BENCHMARK IN RISING LAVOR  
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UNREST EQUAL IN IMPORTANCE TO THAT OF JUNE TEXTILE STRIKE

(SEE BANGKOK 10128 AND PRECEDING). LATTER WAS FIRST TRIUMPH IN RECENT YEARS FOR ORGANIZED LABOR IN THAILAND. IT GRADUALLY BROUGHT ABOUT PARTICIPATION OF ALL 35 WORKERS ASSOCIATIONS (I.E., UNION LOCALS), NOT JUST TEXTILE WORKERS. DURING INTERCONTINENTAL STRIKE ONLY HOTEL WORKERS ASSOCIATION INVOLVED AND ITS PRESIDENT, THOETPHUM CHAIDI ( WHO HAD ALSO PLAYED PROMINENT ROLE IN TEXTILE STRIKE), SCORED IMPORTANT PERSONAL TRIUMPH. THIS DESPITE HAVING BEEN JAILED BRIEFLY DURING STRIKE (FOR CARRYING UNLICENSED WEAPON) AND FAILING TO DELIVER ON THREAT TO TURN OUT WORKERS AT OTHER MAJOR HOTELS TO SUPPORT INTERCONTINENTAL STRIKERS. HOWEVER, THREAT OF EXTENDING STRIKE PRESUMED TO HAVE FORCED THAI HOTEL ASSOCIATION DURING COURSE OF STRIKE TO ENCOURAGE MEMBERS TO IMPROVE FRINGE BENEFITS FOR HOTEL WORKERS.

4. SUCCESSFUL DEMAND FOR TRANSFER OF TWO EUROPEAN EXECUTIVES OF INTERCONTINENTAL APPARENTLY HAS ENCOURAGED WORKERS IN OTHER ENTERPRISES TO MOVE NOW TO ELIMINATE UNPOPULAR MANAGEMENT OFFICIALS. AT THE SAME TIME, PRELIMINARY REACTIONS FROM THAI BUSINESSMEN INDICATE STRONG AND EMOTIONAL OPPOSITION TO GRANTING SUCH DEMANDS FROM WORKERS.

5. AGAINST RECENT BACKGROUND OF SHARPLY ESCALATING COST OF LIVING ( JUNE-JULY CPI DOWN, HOWEVER) IMMEDIATE FORECAST SUGGESTS STEPPED UP STRIKE ACTIVITY IN WIDE RANGE OF ENTERPRISES. ALTHOUGH SOME LABOR ASSOCIATION LEADERS IN PRIVATE CONVERSATION HAVE REFLECTED STRONG BIAS AGAINST "FOREIGN CAPITALISTS," NOT YET CLEAR IF FOREIGN OWNED ENTERPRISES WILL BE MAJOR TARGETS FOR THAT REASON ALONE. THAI SUPERVISORES, FOR EXAMPLE, HAVE BEEN INCLUDED IN REQUESTS FOR REMOVAL AS CONDITION OF ENDING RECENT STRIKES. FOREIGN FIRMS, ESPECIALLY AMERICAN, OFFER SUBSTANTIALLY BETTER PAY AND WORKING CONDITIONS THAN THAI AND MANY OTHERS, BUT THIS ALONE MAY NOT SAVE THEIR MANAGEMENT FROM ATTACK.

6. THESE DEMAND TO REMOVE MANAGERS ARE LIKELY TO BE AN INCREASING FEATURE OF THAI LABOR UNREST FOR SEVERAL REASONS. A STRONG TRADITION OF PATRON/CLIENTISM  
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IN SUPERVISOR/SUBORDINATE RELATIONS HIPS OF ALL KINDS IN THAILAND HAS MADE THES ASSOCIATIONS INTENSELY PERSONAL. FOR ALL THAI, THE CHARACTER AND PERSONALITY OF THE PERSON THEY WORK FOR IS EXTREMELY IMPORTANT, AS IS THE SUPERVISORS'S ROLE TO CARE FOR AND PROTECT THE SUBORDINATE. SECONDLY, THE THAI TRADITIONS OF DEFERENCE TO AUTHORITY AND INCLINATION AGAINST PERSONAL CONFRONTATIONS MAKE IT DIFFICULT FOR THAI WORKERS TO EXPRESS THEIR GRIEVANCES

UNTIL THEY HAVE FESTERED BEYOND THE POINT OF RATIONALITY.  
PRACTICALLY SPEAKING, THE BURDEN IS ON MANAGEMENT TO ELICIT  
GRIEVANCES TO PREVENT THEIR BUILDING UP.

7. FOREIGN MANAGERS ARE LIKELY TO COME IN FOR MORE THAN  
THEIR SHARE OF THESE DEMANDS FOR THEIR REMOVAL BECAUSE  
OF THEIR NATURAL DIFFICULTIES IN FULFILLING THE CULTURALLY  
SPECIFIC EXPECTATIONS OF THEIR THAI WORKERS. SENIOR THAI  
(PERHAPS OFTEN SINO-THAI) MANAGERS OF FOREIGN FIRMS WILL  
ALSO HAVE MORE THAN THEIR SHARE OF TROUBLES BECAUSE OF  
THE AWKWARDNESS OF THEIR BASICALLY COMPRADOR STATUS OF  
TRYING TO RECONCILE THE WESTERN DEMANDS FROM ABOVE WITH  
THE THAI NEEDS OF THE WORKERS.

8. AIRGRAM FOLLOWS.  
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## Message Attributes

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